

**DRAFT LETTER FOR APPOINTMENT OF INDEPENDENT DIRECTOR**

Date: \_\_\_\_\_

To,

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Sub: Your Appointment in the Company as Non-Executive Independent Director under Companies Act, 2013.**

Dear Sir/Madam,

I am pleased to inform you that the Board of Directors ('the Board') of ValueFirst Digital Media Private Limited ('the Company') has approved your appointment as Non-Executive Independent Director of the Company ('Independent Director').

This letter sets out the terms of your appointment as required under the Companies Act, 2013 & Rules prescribed thereunder. Please note that this is a contract of services & not contract for employment.

**1. Appointment**

In accordance with the provisions of the Companies Act, 2013 and other applicable laws, you will serve as an Independent Director on the Board to hold office from \_\_\_\_\_ for **five** consecutive years till \_\_\_\_\_, subject to the shareholder's approval at the ensuing Annual General Meeting of the Company to be held on \_\_\_\_\_. Further, this tenure is subject to your meeting the criteria for being an Independent Director and not being disqualified to be a Director under the applicable regulations & also subject to the maximum permissible Directorships that one can hold as per the provisions of the Companies Act, 2013.

You will be eligible for re-appointment for another term as per the applicable regulations, subject to your fulfilling the criteria for being an Independent Director and not being disqualified to be a Director. Further, the re-appointment shall be on the basis of report of your performance evaluation by the Board of Directors. The re-appointment would require Special resolution of shareholders and any other necessary approvals. Further, The Company is at liberty to disengage Non Executive Independent Director earlier subject to compliance of relevant provisions of Companies Act, 2013.

## **2. Expectations of the Board and invitation to the Board's Committees**

The Board expects that you shall, during the tenure of your appointment as an Independent Director on the Board, adhere to the “**Guidelines of professional conduct**” prescribed in CODE FOR INDEPENDENT DIRECTORS under SCHEDULE IV and to other applicable provisions of the Companies Act, 2013, as amended from time to time in letter and spirit.

The Board may, if it deems fit, invite you for being appointed on one or more existing Board Committees or any such Committee that is set up in the future. Your appointment on such Committee(s) will be subject to the applicable regulations.

## **3. Role, Duties, Liabilities & Responsibilities**

You are expected to provide your expertise in the area of digital engagement services, in the functioning of the Board and the committees of the Board you may be nominated. In addition to routine board meetings you should allow time for committee meetings, preparatory work and travel, and ensure that you are in a position to make the necessary overall time commitment.

Your role and duties will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013 including those specified in CODE FOR INDEPENDENT DIRECTORS under SCHEDULE IV thereof. There are also certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature, which you are required to perform and are as under:

- (i) You shall act in accordance with the Company's Articles of Association.
- (ii) You shall act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interest of the Company, employees, shareholders, community & for the protection of the environment.
- (iii) You shall discharge your duties with due and reasonable care, skill and diligence & shall exercise independent judgment.
- (iv) You should not involve in a situation in which they may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
- (v) You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.
- (vi) You shall not assign your office as Director and any assignments so made shall be void.

The other duties and liabilities that come with your appointment would be as per the applicable laws, the Company's policies and the Articles of Association of the Company. The law that currently governs the duties and liabilities of an Independent Director is the Companies Act, 2013 (including Rules prescribed thereunder). You will be liable only in respect of such acts of omission or commission by a company which had occurred with your

knowledge, attributable through Board process, and with your consent or connivance or where you had not acted diligently.

You are also required to make disclosure of your interest as per the requirements of Section 149 & 184 of the Companies Act, 2013.

As an Independent Director, you shall have the same general legal responsibilities to the Company as that of any other director. The Board, as a whole, is collectively responsible for ensuring the success of the Company by directing and supervising the Company's affairs.

#### **4. Fees**

You may also be entitled to sitting fee for attending the meetings of the Board or Committee thereof either personally or through Video Conference or other audio visual means or for any other purpose whatsoever if decided by the Board. The remuneration and fee, if any, payable shall be subject to applicable tax deduction at source.

Any direct expenses incurred by you for attending any board/committee meeting shall be reimbursed by the Company which includes travel expenses, hotel expenses & other reasonable out of pocket expenses.

#### **5. D & O Insurance**

The Company has availed Directors' and Officers' liability insurance (D & O policy) to pay for the personal liability of directors and officers for claims made against them while serving on the Board and / or as an officer of the Company. It will be a sincere endeavor that the Company assumes and maintains such cover for the full term of your appointment.

#### **6. Memberships of other boards**

It is expected that you will not serve on the boards of competing companies. Apart from the applicable law and good corporate governance practices, there are no other additional limitations.

#### **7. Confidentiality**

All information acquired during your appointment is confidential to the Company and should not be released, either during your appointment or following termination (by whatever means) to third parties without prior clearance from the Company's Managing Director unless required by law or by the rules of any regulatory body.

#### **8. Mechanism for evaluating Board members**

Your performance evaluation shall be done by the Board annually, without your participation. You will participate in reviewing the performance of non-independent directors and the Board as a whole.

## **9. Independence**

The Board of Directors of the Company inter alia has given due consideration to your declaration of being qualified as 'independent' in accordance with the provisions of Companies Act, 2013. You are expected to continue to be qualified as 'independent' during your tenure and provide periodic declaration to the effect as required by regulations. You will be identified as 'Independent Director' in the annual report and other documents and publications of the Company. If circumstances change and you believe it may not be possible for you to retain your independence, you should discuss this with the Chairman as soon as practicable.

## **10. General**

All the terms as mentioned above including your appointment, remuneration, professional conduct, role and functions, duties and evaluation shall be governed by the Companies Act, 2013 and Rules made thereunder. This Letter and any non-contractual obligations arising out of or in connection with this Letter are governed by, and shall be construed in accordance with the laws of India and subject to the exclusive jurisdiction of the Courts of New Delhi.

Yours sincerely,  
**For ValueFirst Digital Media Private Limited**

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**Accepted by**

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